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SUMMARY RECORD OF THE 72nd MEETING

Chairman: Mr. STEIN (Germany)
(Vice-Chairman)

Chairman of the Advisory Committee on Administrative and Budgetary Questions: Mr. MSELLE

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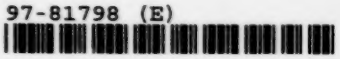

In the absence of Mr. Sengwe (Zimbabwe), Mr. Stein (Germany), Vice-Chairman, took the Chair.

The meeting was called to order at 10.20 a.m.

ORGANIZATION OF WORK (A/C.5/51/L.84)

1. The CHAIRMAN drew the Committee's attention to document A/C.5/51/L.84, which contained the proposed programme of work for the third part of the resumed fifty-first session and a list of the issues which, in the view of the officers of the Committee, should be deferred to the fifty-second session in the light of the status of documentation. However, with respect to item 140 (a), the Chairman of the Advisory Committee on Administrative and Budgetary Questions would give an oral report, during the resumed session, on the report of the Secretary-General concerning the Lessons Learned Unit (A/51/965). Moreover, the list of issues to be deferred should have included the report of the Secretary-General on the activities of the Office of Internal Oversight Services concerning the review of the programme and administrative practices of the secretariat of the International Trade Centre.

2. With respect to item 120, he had been advised that the Secretary-General would respond, during the resumed session, to the letter contained in document A/51/955 concerning the implementation of General Assembly resolution 51/226.

3. Ms. ARCHINI (Italy) said it was unfortunate that so many items were to be deferred to the fifty-second session. In particular, she was concerned about the proposal to postpone, once again, the discussion of the field assets control system, and asked for assurances that the issue would not be neglected.

4. Mr. MSELLE (Chairman of the Advisory Committee on Administrative and Budgetary Questions) said that the Advisory Committee was currently considering a number of items which could not be deferred. It was scheduled to begin considering the question of asset management on 18 September, and its report thereon should be available in early October. Thus, the Fifth Committee should have ample time in which to consider the Advisory Committee's report and other related documentation.

5. Mr. REPASCH (United States of America) proposed that the Committee should also defer to the fifty-second session the consideration, under item 116, of the construction of additional conference facilities at Addis Ababa, since the Committee would not have all of the information it needed to take a decision until the Secretary-General had produced a full report on the subject.

6. The CHAIRMAN said that, as the issue was on the agenda of the current meeting, it must be decided upon during the resumed session.

7. Mr. YUSSUF (United Republic of Tanzania) asked whether a formal meeting could be held on agenda item 112 so that the Group of 77 and China could introduce a draft resolution on the issue of gratis personnel.

8. The CHAIRMAN said that the draft resolution could be introduced at the formal meeting to be held on the subject of the Lessons Learned Unit.

9. Mr. REPASCH (United States of America) asked whether the United Nations Operation in Mozambique, which was on the list of items to be deferred, could be considered at the current resumed session.

10. Mr. MSELLE (Chairman of the Advisory Committee on Administrative and Budgetary Questions) said that the Advisory Committee would not be able to take up peacekeeping issues until the end of September, since it had to give priority to the consideration of the budget (which had been submitted late) and of reports which were also to be submitted to other intergovernmental bodies.

11. Mr. REPASCH (United States of America) said that, since the issue had been pending for some time, he wanted assurances that the Advisory Committee would take it up at the end of September so that the Fifth Committee would have enough time to consider it during the fifty-second session.

12. Mr. MSELLE (Chairman of the Advisory Committee on Administrative and Budgetary Questions) said that the Advisory Committee would take up the issue as soon as possible.

13. The programme of work contained in document A/C.5/51/L.84, as orally revised, was adopted.

AGENDA ITEM 115: IMPROVING THE FINANCIAL SITUATION OF THE UNITED NATIONS (continued)

Report of the High-level Open-ended Working Group on the Financial Situation of the United Nations (A/51/43)

14. Mr. SUCHARIPA (Austria), speaking in his capacity as Vice-Chairman of the High-level Open-ended Working Group on the Financial Situation of the United Nations, said that in its report (A/51/43), the Working Group referred to its origins, mandate and previous deliberations. During the fifty-first session of the General Assembly, it had dealt with all of the questions under its mandate, as noted in paragraph 11 of the report. During the deliberations, it had become apparent that circumstances would not allow the Working Group to arrive at generally agreed recommendations. Thus, as indicated in the draft decision contained in paragraph 18 of the report, the Working Group was recommending only that the General Assembly should take note of its work, on the understanding that it would be resumed after consultations with Member States. Although the Working Group had been unable to agree on a formula to solve the financial crisis, the progress made in clarifying the positions of Member States and groups of Member States would be useful in further endeavours to put the United Nations on a sound financial footing.

15. Mr. SIAL (Pakistan) said he was disappointed that the Working Group had made no concrete recommendations for improving the Organization's financial situation, which was affecting programme implementation, personnel planning, the use of gratis personnel and the reimbursement of troop-contributing countries.

The problem required serious attention, and the Fifth Committee should devote ample time to efforts to find solutions.

16. Mr. MADDENS (Belgium), speaking on behalf of the European Union, and Mr. BOYNTON (United States of America) said that they appreciated the Working Group's efforts and that they looked forward to discussing its report in plenary session and to devising appropriate solutions.

17. Mr. ATIYANTO (Indonesia) said that the Working Group's inability to agree on specific recommendations was regrettable, since financial issues such as irregular cash flow and the depletion of reserves must be urgently addressed. It was necessary to strengthen the political will of Member States to provide tangible support to the Organization. Since the end of the cold war, the United Nations had resumed its proper role in international relations; however, its financial capacity was strained to the breaking point. It could not carry out the decisions and resolutions of Member States without adequate human and financial resources. Those Member States had a collective responsibility, based on the treaty obligations entered into under the Charter of the United Nations, to enable the Organization to achieve its principles and objectives. He appealed to all Member States to pay their assessed contributions in full, on time and without conditions, since failure to do so would cripple the Organization's ability to continue its operations. His delegation would continue to cooperate with other Member States in seeking immediate practical solutions.

18. The CHAIRMAN said he took it that the Committee decided to take note of the report of the High-level Open-ended Working Group on the Financial Situation of the United Nations (A/51/43) and to transmit it to the General Assembly for appropriate action.

19. It was so decided.

AGENDA ITEM 116: PROGRAMME BUDGET FOR THE BIENNIUM 1996-1997 (continued)

Construction of additional conference facilities at Addis Ababa (A/51/7/Add.9, A/C.5/51/37/Add.1)

20. Mr. MSELLE (Chairman of the Advisory Committee on Administrative and Budgetary Questions) said that the report of the Secretary-General (A/C.5/51/37/Add.1) provided information on the outcome of recent discussions between the United Nations and the contractor at Addis Ababa on the settlement of time delays and financial claims, as well as additional costs arising from the telephone system contract. The Secretary-General estimated the additional costs at $7.6 million, and proposed, in paragraph 10 of his report, that that amount should be funded through the application of the interest accrued from the construction-in-progress accounts of the Economic Commission for Africa (ECA) and the Economic and Social Commission for Asia and the Pacific (ESCAP), which was estimated at $7,911,373.

21. The Advisory Committee had requested detailed information on the circumstances which had led to the request for additional expenditure, including the reasons for the delay. Since that information had not been received until

after the Advisory Committee had completed its report (A/51/7/Add.9), it had not been reflected in the latter, though it would not have affected the Advisory Committee's final recommendation. The information could be made available to the Fifth Committee if it so desired.

22. In paragraph 7 of its report, the Advisory Committee pointed out the need for strict adherence to the Financial Regulations and Rules of the United Nations. In paragraph 8, it recommended that the General Assembly should authorize an additional appropriation of $7,651,594, to be financed from the interest accrued from the construction-in-progress accounts of ECA and ESCAP, thus obviating the need for an additional assessment on Member States.

23. As noted in paragraph 4 of the Advisory Committee's report, the unpaid balance of the agreed settlement, amounting to ECU 6.2 million, was to be paid no later than 30 September 1997. Therefore, a decision must be taken on the item before 30 September to avoid additional expenditure.

24. Mr. REPASCH (United States of America) said that he would like to receive the additional information which the Secretariat had provided to the Advisory Committee. He wondered whether the settlement agreement referred to in paragraph 4 of the Advisory Committee's report was a contractual agreement and what consequences would result if the remaining amount was not paid by the due date. Since the Committee needed a full report on the situation in Addis Ababa, he asked for information on the implications of deferring a decision.

25. Mr. RASHKOW (Office of Legal Affairs) said that the Organization had negotiated a settlement after the contractor had indicated that it would initiate arbitration proceedings unless the issues concerned were resolved. The settlement minimized the costs to the United Nations and protected its interests. If the required payment was not made by 30 September, the contractor might revoke the settlement agreement and initiate arbitration proceedings, which could expose the Organization to substantially higher claims. It was therefore in the Organization's interest to abide by the terms of the settlement agreement.

26. Mr. FARID (Saudi Arabia) agreed that the Committee should defer the matter until the fifty-second session, rather than rush into a decision before 30 September without careful examination. He wondered why the issue had not been raised earlier in the fifty-first session and why no detailed report of how the money had been spent was available.

27. Mr. HALBWACHS (Controller) noted that the Committee had received a progress report on the construction and expenditure every year since the General Assembly had approved the project in 1985, and that it was also taken into account in the biennial financial statement of ECA. Both documents A/C.5/50/17 and A/C.5/51/37 made it clear that the contractor had made a claim against the Organization. In fact, expenditure of $108 million had already been approved in settlement of that claim.

28. The CHAIRMAN recalled that the item had been on the agenda for the first part of the resumed session held in June, but that the Committee had decided to postpone consideration until the third part of the resumed session.

29. Mr. REPASCH (United States of America) said that the Committee was being presented with a fait accompli. He asked by what authority the settlement agreement had been entered into and whether a payment schedule had been established.

30. Mr. RASHKOW (Office of Legal Affairs) said that in the first stage of the settlement agreement, disputes over invoices had been resolved and payments made as reported in paragraphs 6 and 7 of the addendum to the report of the Secretary-General (A/C.5/51/37/Add.1). The Financial Regulations and Rules gave authority to the Secretariat to resolve disputes regarding the implementation of existing contracts. Arbitration could lead to a substantially higher settlement, plus the costs of establishing the arbitral panel, legal fees and the time and effort of United Nations personnel.

31. Mr. REPASCH (United States of America) said that it would be helpful to know whether, under the Financial Regulations, the Secretariat could pay the amount requested without the approval of the General Assembly.

32. Mr. RASHKOW (Office of Legal Affairs) said that the Secretariat had the ability under the Financial Regulations to settle the dispute.

33. Mr. HALBWACHS (Controller) said that the Secretariat did not, however, have the authority to pay the settlement amount; thus, it must ask the General Assembly for release of the funds.

34. The CHAIRMAN suggested that informal consultations should be held on the matter.

AGENDA ITEM 118: PATTERN OF CONFERENCES (continued) (A/C.5/51/56)

35. Mr. FUERST (Information Management Services), introducing the report of the Secretary-General on access to the optical disk system (A/C.5/51/56), reported that, as at 30 June, all Permanent Missions had been connected to the Internet and through it could access documents stored on the optical disk system. Material from the optical disk system would also be distributed on CD-ROM before the end of 1997.

36. Many delegations had inquired why passwords were required for access to the optical disk, and the answer lay mainly in the capacity of the system to serve simultaneous users. Adding the capacity to serve outside users would entail substantial costs, and any such expanded access would have to be on a reimbursable basis, as described in paragraphs 14 and 15 of the report. In order to protect the investment already made in the system it must remain up-to-date, and funds from the sale of material from the optical disk might help in maintaining the system. Member States would be asked for guidance in that area.

37. Ms. POWLES (New Zealand) said that her delegation increasingly relied on retrieving documents from the optical disk system, and commended the efforts to expand access. Greater access for developing countries would, no doubt, involve using the Internet, but that means was slow and cumbersome.

38. Two major problems had been encountered in using the system. First, when logging on an error message was often received, which, according to the system Help Desk, was caused by a problem at the United Nations end. Second, the process of printing out a document was slow: the time needed to download a 20-page document averaged 45 minutes to one hour. Again, the Help Desk had said that the problem was related to how the documents were loaded onto the optical disk, and additional funds would be required to remedy the situation. Because of those problems, her country's Foreign Ministry had stopped using the system for the time being. It did not seem to be a good idea to expand access until those problems had been solved. By contrast, however, local access at the Permanent Mission through the integrated services digital network (ISDN) lines had been excellent.

AGENDA ITEM 119: SCALE OF ASSESSMENTS FOR THE APPORTIONMENT OF THE EXPENSES OF THE UNITED NATIONS (continued) (A/51/11)

39. The CHAIRMAN invited the Committee to consider chapter III of the report of the Committee on Contributions contained in document A/51/11. The General Assembly, in its resolution 50/207 B, inter alia, had requested the Committee on Contributions to review the procedural aspects of consideration of requests for exemption under Article 19 of the Charter and to convey its observations thereon not later than the end of the fifty-first session of the Assembly. He drew attention, therefore, to paragraphs 6 to 15 of section A of chapter III of that report.

40. In that connection, the Committee might also wish to consider the recommendations in section B regarding the granting of exemptions under article 19 of the Charter to Liberia, Tajikistan and the Comoros. The Committee would consider the item first in informal consultations.

AGENDA ITEM 112: REVIEW OF THE EFFICIENCY OF THE ADMINISTRATIVE AND FINANCIAL FUNCTIONING OF THE UNITED NATIONS (continued) (A/49/98 and Corr.1 and Add.1 and Add.2, A/49/418)

Management in the United Nations

41. The CHAIRMAN invited the Committee to consider reports which had been submitted to the General Assembly at its forty-ninth session concerning management in the United Nations. He inquired whether the Committee was currently in a position to take note of the reports, on which no action had yet been taken.

42. Mr. NICOLAS (France) said that his delegation had participated actively in the adoption of General Assembly resolution 48/218 and had also supported the proposals made to strengthen the rules in the areas of finance and personnel. Since the reports before the Committee had been issued, oversight had improved through the establishment of the Office of Internal Oversight Services (OIOS) and the reform of the performance evaluation system. The concerns expressed regarding staff accountability were widely shared, and the Secretary-General, in his report on reform had advocated an increase in staff accountability together with increased delegation of power.

43. In order to reflect developments within the Organization since the adoption of resolution 4/218, his delegation proposed that, in taking note of the reports, the General Assembly should also request the Secretary-General to submit to the General Assembly at its fifty-third session a report on the evaluation of the new Performance Appraisal System and on the follow-up of management irregularities causing financial losses to the Organization which had been identified by OIOS.

44. The CHAIRMAN said that he would take it that the Committee decided to recommend to the General Assembly that it should take note of documents A/49/98 and Corr.1 and Add.1 and Add.2 and A/49/418, and to request the Secretary-General to submit a report on the Performance Appraisal System at the fifty-third session, as proposed by the representative of France.

45. It was so decided.

OTHER MATTERS

46. The CHAIRMAN read out the text of a letter from the Spokesman for the Secretary-General, Mr. Fred Eckhard, providing an explanation and an apology to Member States for the turning off of the MX system on 17 March 1997. He took it that the Committee wished to take note of the letter of the Spokesman for the Secretary-General and accepted the apology conveyed.

47. It was so decided.

48. Ms. INCERA (Costa Rica) requested an explanation for the fines being imposed on members of delegations using the United Nations garage. In addition, some concerns regarding security measures had arisen during the recent special session of the General Assembly. Certain measures had seemed excessive, and it appeared that the Security and Safety Service did not understand that the Organization belonged equally to its 185 Member States. It was totally unacceptable for security agents of one Member State who were external to the Organization to impose special measures and to violate the dignity of the representatives of other States. It was also unacceptable for those outside agents to be present within the Headquarters building without prior consultation with other Member States.

49. Ministers for Foreign Affairs, permanent representatives and other delegates had been prohibited from using the main entrance to the General Assembly Hall and the Delegate's Entrance, and it was inexcusable that a member of her delegation had been physically barred from entering there. Some of those measures had been applied during the fiftieth anniversary celebrations, but that was a special case which had in no way set a precedent for security operations during other Assembly sessions. Although her delegation was aware that special security measures might be necessary in some circumstances, they must not interfere with the work of the Organization or the dignity of representatives of its Member States.

50. Security measures should be logical and practical. For example, entrance to the garage from the FDR Drive should be organized in such a way that diplomatic vehicles did not have to wait in the same line as service trucks.

51. Her delegation would like to be informed of the security measures planned for the forthcoming Assembly session in order to avoid similar problems.

52. Mr. ATIYANTO (Indonesia) said that Member States should receive formal clarification from the Security and Safety Service of the matters raised by the delegation of Costa Rica.

The meeting rose at 11.50 a.m.